JUNE 7, 1974

Oil Producers to Meet in Quito; Many Differ Over Prices, Taxes

[redacted]

Saudi oil minister Yamani has proposed a substantial reduction in the posted price—from $11.65 to $9 per barrel for Arabian light crude. Almost every other OPEC member is opposed to lower prices and probably will use the commission report to argue against any reduction. The result will probably be no change in posted prices.

Yamani said recently that Saudi Arabia "will not associate itself with any move to tax the excess profits that the companies realize on their equity oil" until new equity participation arrangements are resolved.

In an interview last weekend, Yamani also rejected suggestions that the buy-back price for Saudi participation oil be set at 93 percent of posted price. He said that buy-back prices should be linked directly to market prices. This linkage could be accomplished by applying to buy-back sales the price obtained in the forthcoming auction of Saudi government crude.

[redacted]

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